approach embedding care managers, pharmacists, psychiatrists or other behavioral health professionals, and nutritionists in the networks and in some of the larger patient practices. The team focuses on care for people with chronic or complex health conditions, working to improve the quality of care provided as well as patient self-management skills.

The state has taken several steps to expand this initiative to include other populations. In 2009, North Carolina Community Care Networks, Inc. (NCCCN), the parent organization of the 14 regional Community Care networks, was one of only two entities awarded a Medicare demonstration waiver.[246] (The waiver is commonly referred to as the 646 waiver as it was authorized under Section 646 of the Medicare Modernization Act). This program is a five-year demonstration designed to improve patient safety, enhance quality, increase efficiency, and reduce unwarranted variation in medical practice that has resulted in lower quality and higher costs. This waiver expands the CCNC primary care medical home and chronic disease management model to people who are dually eligible for Medicare and Medicaid and then later to other Medicare enrollees. Enrollment began in January 2010. The initiative will begin in 26 counties. If NCCCN is able to demonstrate improved health outcomes and lower health care costs, it will share in the savings with CMS. While this initiative was launched before the implementation of the ACA, it is similar to other potential demonstrations envisioned under the Act including coordination of care for dually eligible patients and accountable care organizations.

The workgroup holds the strong conviction that the development and implementation of new models of care is essential to face the challenge we face today in improving the value delivered by our health care system. The workgroup developed a set of principles that should guide the state as it moves forward to implement new delivery and financing models. The workgroup also offers these guiding principles to other organizations—including health systems, health care providers, insurers, and other payers—that may be interested in testing new models:

1. **Person-Centered, Family, and Community Focus.** Individual patients and their families should be at the forefront of any health system. The health of the individual is also strongly influenced by the broader community in which they live. Thus, new models of care should focus on the broader community and should include a strong population health emphasis.

2. **Improve Access, Quality, Health Outcomes, and Population Health and Reduce Costs.** North Carolina will be best served by developing models that will:
    a. Improve health care quality (including outcomes and population health)
    b. Increase access
    c. Reduce costs (i.e., reduce absolute health care costs and/or moderate the levels of increase)

    The availability of funding sources should not solely drive the development of new models. Rather, once the key elements have been identified, funding sources should be pursued that will support the new models.

[246] Centers for Medicare and Medicaid Services. Medicare Health Care Quality Demonstration Programs, fact sheet. https://www.cms.gov/DemoProjectsEvalRpts/downloads/MMA646_FactSheet.pdf. Accessed January 6, 2011.